



**HOME BUILDERS & REMODELERS ASSOCIATION  
OF CONNECTICUT, INC.**

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*Your Home  
Is Our  
Business*

**ENERGY & TECHNOLOGY COMMITTEE  
PUBLIC HEARING  
February 21, 2019**

To: Chairmen Needleman, Arconti, Ranking Members Formica, Ferraro and distinguished Members of the Energy & Technology Committee

From: Jim Perras, CEO, Home Builders and Remodelers Association of Connecticut (HBRA-CT)

Re: HBRA-CT Testimony in Support of **Proposed House Bill 5002: An Act Concerning the Development of a Green New Deal**

The Home Builders and Remodelers Association of Connecticut (HBRA-CT) is a professional trade association with over eight hundred business members statewide, employing tens of thousands of Connecticut residents. Our association of small businesses is comprised of residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry. We build between 70% to 80% of all new homes and apartments in Connecticut each year and engage in countless home remodeling projects.

Thank you, for the opportunity to provide testimony in support of HB 5002: An Act Concerning the Development of a Green New Deal. This bill is intended to provide funding and create programs to incentivize energy efficiency, renewable energy, sustainability and resiliency. The HBRA-CT requests the committee consider including provisions in this bill to create tax incentives for buyers of newly constructed homes with HERS ratings of 60 or better. In addition, we would suggest that the final draft of the bill also include tax incentives for buyers of older homes that remodel their homes within one year of purchasing with the end result of a 60 or better HERS rating.

The Home Energy Rating System (HERS) Index is the industry standard by which a home's energy efficiency is measured. HERS ratings are conducted by licensed third parties. A typical resale home scores around 130 on the HERS index (on average), while a standard home, built to current energy code, scores around 85. Every point below 100 on the HERS index, translates to roughly 1% energy savings compared to home built to current code requirements.

**Tax incentives for HERS rated new construction and remodeling** will promote energy efficiency and minimize stresses on the state's energy infrastructure. It will also provide much needed stimulation to the residential construction sector of our economy which has been producing at recession levels since 2009. It will create jobs, help to replenish our depleting housing stock and keep environmentally conscious millennials in Connecticut, ultimately helping to reverse the trend of outward migration. Similarly, incentives for HERS rated remodels will help revitalize urban areas and the state's aging housing stock (CT has the oldest housing stock in the country) and create jobs all while helping to sustain our environment. New homes and remodeling will generate significant tax revenue and jobs to help offset the targeted incentive.

Most consumers know anecdotally that a drafty old house is less efficient and more expensive to heat and cool than a new house. Now, metrics exist to quantify a home's efficiency. Most prominently, the Home Energy Rating System (HERS) examines various elements that contribute to a home's overall energy efficiency and gives a score so that homeowners can gauge just how well their house performs (the HERS Index Score). The lower the number, the more energy efficient the home. The U.S. Department of Energy has determined that a typical resale home scores, at a minimum, a 130 on the HERS Index, although this score can be much higher dependent upon the overall energy performance of the home. A home built to the 2006 International Energy Conservation Code is awarded a rating of 100 as the reference baseline. Current code required building practices result in houses with HERS index scores of 85.

What does this mean for new home energy performance A home with a HERS Index Score of 130 is 30% less energy efficient than the 2006 reference home. A home with a score of 60 is markedly more efficient than a typical re-sale house, resulting in significant savings by reducing utility costs. According to the US Dept. of Energy, a buying a house with a score of 60 will save the typical homebuyer \$1,257 every year in energy savings vs. the average re-sale house. **That is more than \$37,700 over 30 years.** The homes that we build today, are expected to last for a century. Not only will these new homes have higher levels of efficiency and lower costs, but they will also provide equally important auxiliary benefits including better indoor air quality, improved comfort, and conditions for improved occupant health.

Please consider adding language to HB 5002 that would provide tax incentives to homebuyers that either purchase a new home or remodel a recently purchased used home with a HERS rating of 60 or better. New Connecticut tax incentives coupled with existing federal tax incentives and rebates currently offered through EnergizeCT, will lead to more jobs, revitalization of our aging housing stock, healthier more energy efficient and cost saving homes for Connecticut residents.

Thank you for the opportunity to provide testimony on House Bill 5002: An Act Concerning the Development of a Green New Deal.